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### Title 55 Chapter 18: Housing Authorities - 1974

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charged to develop recommendations for appropriate reorganization of state agencies engaged in manpower programs for submittal to the next session of the Utah state legislature.

**History:** L. 1969, ch. 202, § 4.

**55-17-5. Manpower planning council—Additional powers and functions.**—Notwithstanding any provisions of law to the contrary, the manpower planning council shall have the following specific powers and functions:

(1) Formulate goals, objectives and policy to govern the development and administration of manpower programs in Utah;

(2) Evaluate the objectives, activities, budgets, delivery systems and staffing patterns of all state agencies engaged in manpower programs to determine program effectiveness, efficiency, duplication of effort, and deficiencies in service;

(3) Prepare a comprehensive manpower plan for Utah defining agency roles and allocating available resources to provide optimum manpower and skilled training to Utah's citizens requiring such services;

(4) Approve any modification of or new manpower program, including, but not limited to, staff organization and numbers, physical facilities, services offered, and interagency agreements;

(5) Review and approve all applications for federal assistance in manpower programs which require either state matching funds or state delivery of services;

(6) Direct that duplicating activities of one or more agencies be harmonized by requiring modification or termination of activities which are found to be duplicative.

The council is hereby empowered to receive and disburse federal funds and, in addition, may require, within reasonable limits, the contribution of staff from the agencies represented on the council to carry out its operations and investigations.

**History:** L. 1969, ch. 202, § 5.

**Appropriation.**

Section 6 of Laws 1969, ch. 202 pro-

vided: "There is hereby appropriated from the general fund the amount of \$30,000 to carry out the purposes of this act."

## CHAPTER 18

### HOUSING AUTHORITIES

Section 55-18-1.	Purpose of act.
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- 55-18-30. Annual report.
- 55-18-31. Provisions of act controlling—Acts of governmental bodies deemed administrative.

**55-18-1. Purpose of act.**—It is declared to be the policy of the state of Utah to promote the general welfare of its citizens that it is necessary to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income, in urban and rural areas. These conditions cause an increase and spread of disease and crime, and constitute a menace to the health, safety, morals, and welfare of the state. It is the policy of the state of Utah to make adequate provision of housing for persons of low income, for elderly persons of low income, for handicapped persons of low income, for veterans of low income unable to provide themselves with decent housing on the basis of benefits available to them through certain government guarantees of loans for purchase of residential property, and during limited periods, housing for disaster victims. The provision of safe and sanitary dwelling accommodations at rents or prices which persons of low income can afford will materially assist in developing more desirable neighborhoods and alleviating the effects of poverty in this state. The purposes of this act are to meet these problems by providing low-cost housing for low-income persons and to encourage co-operation between political subdivisions thereby making available low-cost housing facilities in all areas of the state. It is in the public interest to utilize the broad financial resources and technical services available to government in co-operation with the ingenuity and expertise of private enterprise to alleviate this lack of safe and sanitary dwellings while stimulating local industry.

History: L. 1969, ch. 26, § 1.

**Title of Act.**

An act relating to housing authorities in cities, towns and counties, providing that the housing authorities undertake rehabilitation of blighted areas and provide wholesome living environment for persons of low income, including the elderly, handicapped, veterans, and during limited periods, housing for disaster victims.

**Cross-References.**

Utah Community Redevelopment Law, 11-15-1 et seq.

Utah Neighborhood Development Act, 11-19-1 et seq.

**Law Review.**

Housing in Salt Lake County—A Place to Live for the Poor? 1972 Utah L. Rev. 193.

**55-18-2. Definitions.**—As used in this act:

(1) The words "housing authority" or "authority" means any public body corporate and politic created by this act.

(2) The word "city" means any city (whether existing under special charter or general law) or town in the state. "County" means any county in the state.

(3) The words "governing body" mean, in the case of a city, the council or other body of the city in which is vested legislative authority customarily imposed on the city council, and in the case of a county, the board of county commissioners.

(4) The word "mayor" means the mayor of the city or the officer thereof charged with the duties customarily imposed on the mayor or executive head of a city.

(5) The word "clerk" means city clerk, the county clerk, or the secretary of state, or the officer charged with the duties customarily imposed on such clerk.

(6) The words "area of operation" mean (a) in the case of an authority of a city, the city, except that the area of operation of an authority of any city shall not include any area which lies within the territorial boundaries of some other city; (b) in the case of an authority of a county, all of the county for which it is created; provided, that a county authority shall not undertake any project within the boundaries of any city unless a resolution shall have been adopted by the governing body of the city (and by any authority which shall have been theretofore established and authorized to exercise its powers in the city) declaring that there is need for the county authority to exercise its powers within that city.

(7) The words "federal government" include the United States of America, the Department of Housing and Urban Development, or any other agency or instrumentality, corporate or otherwise, of the United States.

(8) The words "blighted area" mean any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitary facilities or any combination of these factors, are detrimental to safety, health and morals.

(9) The words "housing project" or "project" mean any work or undertaking (on contiguous or noncontiguous sites), (a) to demolish, clear, or remove buildings from any blighted area; or (b) to provide, or assist

in providing (by any suitable methods, including but not limited to rental, sale of individual units in single or multifamily structures under conventional condominium, or co-operative sales contract, lease-purchase agreement, loans, or subsidizing of rentals or charges), decent, safe and sanitary urban or rural dwellings, apartments, or other living accommodations for persons of low income; or (c) to accomplish a combination of the foregoing. This work or undertaking may include buildings, land, equipment, facilities, and other real or personal property for necessary, convenient, or desirable appurtenances; streets, sewers, water service, utilities, parks, site preparation and landscaping; and facilities for administrative, community, health, recreational, welfare, or other purposes. The term "housing project" or "project" may also be applied to the planning of the buildings and other improvements, the acquisition of property or any interest therein, the demolition of existing structures, the construction, reconstruction, rehabilitation, alteration, or repair of the improvements and all other work in connection, therewith; and the term shall include all other real and personal property and all tangible or intangible assets held or used in connection with the housing project.

(10) The words "persons of low income" mean persons or families who (as determined by the authority undertaking a project) cannot afford to pay the amounts at which private enterprise unaided by appropriate assistance is providing a substantial supply of decent, safe and sanitary housing.

(11) The word "bonds" means any bonds, notes, interim certificates, debentures, or other obligations issued by an authority pursuant to this act.

(12) The words "real property" include all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, including terms for years.

(13) The words "obligee of an authority" or "obligee" include any bondholder, agent or trustee for any bondholder, or lessor demising to the authority property used in connection with a project, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with the authority.

(14) The words "major disaster" mean any flood, drought, fire, hurricane, earthquake, storm, or other catastrophe which in the determination of the governing body is of sufficient severity and magnitude to warrant the use of available resources of the federal, state, and local governments to alleviate the damage, hardship, or suffering caused.

(15) The words "public body" mean any city, county or municipal corporation, commission, district, authority, agency, subdivision or other body of any of the foregoing.

(16) The word "elderly" means a person who meets the age, disability or other conditions established by regulation of the authority.

(17) The word "handicapped" means a person whose functioning is substantially impaired, as determined in accordance with regulations established by the authority.

**History:** L. 1969, ch. 26, § 2.

**55-18-3. Creation of housing authority authorized—Procedure.**—The governing body of each public body of the state except the state, itself, is authorized under the terms of this act to create an authority, corporate and politic, to be known as a “housing authority.”

The governing body of a city or county shall give consideration to the need for an authority (1) on its own motion or (2) upon the filing of a petition signed by 25 electors of the city or county asserting that there is need for an authority to function in the city or county and requesting that its governing body so declare.

The governing body shall adopt a resolution declaring there is need for an authority and creating an authority in the city or county if it finds (3) that unsanitary or unsafe inhabited dwelling accommodations exist in the city or county, or (4) that there is a shortage of safe and sanitary dwelling accommodations in the city or county available to persons of low income at rentals or prices they can afford.

In any suit, action or proceeding involving the validity or enforcement of any contract of the authority, an authority shall be conclusively deemed to have become established and authorized to transact business and exercise its powers upon proof of the adoption of the resolution herein prescribed. A copy of the resolution duly certified by the clerk shall be admissible in evidence in any suit, action or proceeding.

**History:** L. 1969, ch. 26, § 3.

**55-18-4. Indian housing authorities.**—There is hereby created, with respect to each Indian tribe, band, or community in the state, a public body corporate and politic, to function in the operating area of such Indian tribe, band, or community to be known as the “housing authority” of said Indian tribe, band, or community, which shall be an agency of the state of Utah, possessing all powers, rights, and functions specified for city and county authorities created pursuant to this act; provided, that the Indian housing authority shall not transact any business nor exercise its powers until or unless the governing council of the tribe, band, or community, by proper resolution, declares that there is a need for an authority to function for the tribe, band, or community.

Except as otherwise provided in this act, all the provisions of law applicable to housing authorities created for cities and counties and the commissioners of such authorities shall be applicable to Indian housing authorities and the commissioners thereof. The chief or other governing head of an Indian tribe, band, or community is authorized to exercise all appointing and other powers with respect to an Indian housing authority that are vested by this act in the mayor of a city relating to a city housing authority.

**History:** L. 1969, ch. 26, § 4.

**Cross-Reference.**

Indian affairs, 63-36-1 et seq.

**55-18-5. State planning co-ordinator—Functions.**—In addition to any other functions the governor or legislature may assign, the state planning co-ordinator shall:

(1) Provide a clearinghouse of information for federal, state and local housing assistance programs.

(2) Establish in co-operation with cities and counties, minimum state-wide housing standards which, upon publication may be adopted by cities and counties by reference.

(3) Undertake in co-operation with cities and counties a realistic assessment of problems relating to housing needs such as inadequate supply of dwellings, substandard dwellings and inability of low-income families to obtain adequate housing. This information shall be made available to cities and counties, real estate developers, builders, lending institutions, and others having use for such information.

(4) Advise cities and counties of serious housing problems existing within their jurisdiction which require concerted public action for solution.

(5) Assist cities and counties in defining housing objectives and in preparing for adoption a plan of action covering a three-year period designed to accomplish housing objectives within their jurisdiction.

History: L. 1969, ch. 26, § 5.

**55-18-6. Commissioners — Appointment — Terms — Quorum — Meetings — Employment of other officers and employees authorized.**—When a housing authority is authorized to transact business and exercise powers hereunder, five persons shall be appointed as commissioners of the authority, (1) in the case of a city, by the mayor with the advice and consent of the governing body, or (b) [sic] in the case of a county, by the governing body.

The commissioners first appointed pursuant to this act shall be designated to serve for terms of one, two, three, four and five years, respectively, from the date of their appointment, but thereafter commissioners shall be appointed for a term of office of five years, except that all vacancies shall be filled for the unexpired term. Each commissioner shall qualify by taking the official oath of office prescribed by general statute.

A commissioner shall receive no compensation for this service but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties. Each commissioner shall hold office until his successor has been appointed and has qualified. A certificate of appointment or reappointment of any commissioner shall be filed with the authority and this certificate shall be conclusive evidence of the due and proper appointment of the commissioner.

The powers of each authority shall be vested in the commissioners in office from time to time. A majority of the commissioners of an authority shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes notwithstanding the existence of any vacancies. Action may be taken by the authority upon a vote of a majority of the commissioners present, unless the bylaws of the authority require a larger number. Meetings of the commissioners of an authority may be held anywhere within the area of operation of the



authority or within any additional area in which the authority is authorized to undertake a project.

The commissioners of an authority shall elect a chairman and vice-chairman from among the commissioners. An authority may employ an executive director, legal and technical experts and such other officers, agents and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties and compensation. An authority may delegate to one or more of its agents or employees any powers or duties it deems proper.

**History:** L. 1969, ch. 26, § 6.

**55-18-7. Officers and employees—Interest in projects or property prohibited—Exceptions.**—During his tenure, no officer or employee of an authority shall voluntarily acquire any interest, direct or indirect, in any project or in any property included or planned to be included in any project, or in any contract or proposed contract relating to any housing project. If any officer or employee involuntarily acquires any interest, or voluntarily or involuntarily acquired any interest prior to appointment or employment as an officer or employee, the officer or employee shall immediately disclose his interest in writing to the authority and the disclosure shall be entered upon the minutes of the authority, and the officer or employee shall not participate in any action by the authority to the property or contract in which he has any interest. Violation of the foregoing provisions of this section shall constitute misconduct in office. This section shall not be applicable to the acquisition of any interest in notes or bonds of an authority issued in connection with any housing project, or to the execution of agreements by banking institutions for the deposit or handling of funds in connection with a project or to act as trustee under any trust indenture or to utility services the rates for which are fixed or controlled by a governmental agency.

**History:** L. 1969, ch. 26, § 7.

**Cross-Reference.**

Public Officers' and Employees' Ethics Act, 67-16-1 et seq.

**55-18-8. Misconduct of commissioners—Removal.**—For inefficiency, neglect of duty or misconduct in office, a commissioner of an authority may be removed by the mayor (or in the case of an authority for a county, by the body which appointed the commissioner), but a commissioner shall be removed only after a hearing and after he has been given a copy of the charges at least ten days prior to the hearing and had an opportunity to be heard in person or by counsel. In the event of the removal of any commissioner, a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the clerk.

**History:** L. 1969, ch. 26, § 8.

**55-18-9. Powers of housing authority.**—Every authority shall have all the powers necessary or convenient to carry out and effectuate the purposes



and provisions of this act including the following powers in addition to others herein granted:

(1) To sue and be sued to have a seal and to alter the same at pleasure, to have perpetual succession, to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority, and to make and from time to time amend and repeal bylaws, rules and regulations.

(2) Within its area of operation, to prepare, carry out, and operate projects and to provide for the acquisition, construction, reconstruction, rehabilitation, improvement, extension, alteration or repair of any project.

(3) To undertake and carry out studies and analyses of housing needs within its area of operation and ways of meeting such needs (including data with respect to population and family groups and the distribution thereof according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages and other factors affecting the local housing needs and the meeting thereof) and to make the results of studies and analyses available to the public and the building, housing and supply industries, and to engage in research and disseminate information on housing programs.

(4) To utilize, contract with, act through, assist, and co-operate or deal with any person, agency, institution or organization, public or private, for the provision of services, privileges, works, or facilities, or in connection with its projects; and (notwithstanding anything to the contrary contained in this act or in any other provision of law) to agree to any conditions attached to federal financial assistance relating to the determination of prevailing salaries or wages or payment of not less than prevailing salaries or wages or compliance with labor standards in the development or administration of projects, and to include in any contract awarded or entered into in connection with a project, stipulations requiring that the contractor and all subcontractors comply with requirements as to minimum salaries or wages and maximum hours of labor, and comply with any conditions attached to the financial aid of the project.

(5) To lease, rent, sell, or lease with option to purchase any dwellings, lands, buildings, structures or facilities embraced in any project and (subject to the limitations contained in this act with respect to the rental or charges for dwellings in housing projects) to establish and revise the rents or charges therefor; to own, hold and improve real or personal property; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise any real or personal property or any interest therein; to sell, lease, exchange, transfer, assign, pledge or dispose of any real or personal property or any interest therein; to make loans for the provision of housing for occupancy by persons of low income; to insure or provide for the insurance, in stock or mutual companies, of any real or personal property or operations of the authority against any risks or hazards; to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by the authority including the power to pay premiums on any such insurance.

(6) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to redeem its bonds at the redemption price established or to purchase its bonds at less than redemption price, all bonds so redeemed or purchased to be canceled.

(7) Within its area of operation, to determine where blighted areas exist or where there is unsafe, insanitary or overcrowded housing; to make studies and recommendations relating to the problem of clearing, replanning and reconstructing blighted areas and the problem of eliminating unsafe, insanitary or overcrowded housing and providing dwelling accommodations and maintaining a wholesome living environment for persons of low income; and to co-operate with any public body or the private sector in action taken in connection with those problems.

(8) Acting through one or more commissioners or other persons designated by the authority to conduct examinations and investigations and hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths, issue subpoenas requiring the attendance of witnesses or the production of books and papers and to issue commissions for the examination of witnesses outside the state or unable to attend before the authority, or excused from attendance; to make available to appropriate agencies (including those charged with the duty of abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or insanitary structures within its area of operation) its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety or welfare.

(9) To exercise all or any part or combination of the powers granted.

No provision of law with respect to the acquisition, operation or disposition of property by other public bodies shall be applicable to an authority unless the legislature shall specifically so state.

**History:** L. 1969, ch. 26, § 9.

**Collateral References.**

Suability, and liability, for torts, of public housing authority, 61 A. L. R. 2d 1246.

Validity and construction of statute or ordinance providing for repair or destruction of residential building by public authorities at owner's expense, 43 A. L. R. 3d 916.

**55-18-10. Profit from projects prohibited—Criteria for determining rentals and payments.**—It is hereby declared to be the policy of this state to accomplish the public, governmental and charitable purposes of this act that each authority manage and operate its housing projects in an efficient manner to enable it to fix the rentals or payments for dwelling accommodations at low rates consistent with its providing decent, safe and sanitary dwelling accommodations for persons of low income and that no authority shall construct or operate any housing project for profit, or as a source of revenue to the city or county. To this end an authority shall fix the rentals

or payments for dwellings in its projects at no higher rates than it shall find to be necessary in order to produce revenues which (together with all other available moneys, revenues, income and receipts of the authority from whatever sources derived, including federal financial assistance necessary to maintain the low-rent character of the projects) will be sufficient (1) to pay, as the same become due, the principal and interest on the bonds of the authority; (2) to create and maintain reserves required to assure the payment of principal and interest as it becomes due on its bonds; (3) to meet the cost of, and to provide for, maintaining and operating the projects (including necessary reserves therefor, and the cost of any insurance) and the administrative expenses of the authority; and (4) to make payments in lieu of taxes and, after payment in full of all obligations for which federal annual contributions are pledged, to make repayments of federal and local contributions as it determines are consistent with the maintenance of the low-rent character of projects. Rentals or payments for dwellings shall be established and the projects administered, in so far as possible, so as to assure that any federal financial assistance required shall be strictly limited to amounts and periods necessary to maintain the low-rent character of the projects. Nothing herein shall be construed to limit the amount an authority may charge for nondwelling facilities. All such income, together with other income and revenue, shall be used in the operation of the projects to aid in accomplishing the public, governmental and charitable purposes of this act.

History: L. 1969, ch. 26, § 10.

**55-18-11. Eligibility requirements for occupants—Rights of obligee on default of authority.**—An authority shall issue regulations establishing eligibility requirements consistent with the purposes and objectives of this act for admission to and continued occupancy in its projects.

Nothing contained in this or the preceding section [55-18-10] shall be construed as limiting the power of an authority with respect to a housing project to vest in an obligee the right, in the event of a default by the authority, to take possession or cause the appointment of a receiver free from all the restrictions imposed by this or the preceding section [55-18-10].

History: L. 1969, ch. 26, § 11.

**55-18-12. Authorities may join or co-operate.**—Any two or more authorities may join or co-operate with one another in the exercise, either jointly or otherwise, of any or all of their powers for the purpose of financing (including the issuance of bonds, notes or other obligations and giving security therefor), planning, undertaking, owning, constructing, operating or contracting with respect to a housing project or projects located within the area of operation of any one or more of said authorities. For this purpose an authority may by resolution prescribe and authorize any other housing authority or authorities, so joining or co-operating with it, to act on its behalf with respect to any or all powers, as its agent or

otherwise, in the name of the authority or authorities so joining or co-operating or in its own name.

**History:** L. 1969, ch. 26, § 12.

**55-18-13. Elderly and handicapped to have preference.**—For the purpose of increasing the supply of low-rent housing and related facilities for elderly and handicapped persons of low income, an authority may exercise any of its powers under this act in projects involving dwelling accommodations designed specifically for these persons. In respect to dwelling units in any projects suitable to the needs of elderly or handicapped persons, special preference may be extended in admission to those dwelling units to these persons of low income.

**History:** L. 1969, ch. 26, § 13.

**55-18-14. Victims of major disaster.**—Notwithstanding the provisions of this or any other act relating to rentals, preferences or eligibility for admission or occupancy of dwellings in housing projects during the period an authority determines that there is an acute need for housing to assure the availability of dwellings for victims of a major disaster, the authority may undertake the development and administration of housing projects for the federal government, and dwellings in any housing project under the jurisdiction of the authority may be made available to victims of a major disaster. An authority is authorized to contract with the federal government or a public body for advance payment or reimbursement for the furnishing of housing to victims of a major disaster, including the furnishing of housing free of charge to needy disaster victims during any period covered by a determination of acute need by the authority.

**History:** L. 1969, ch. 26, § 14.

**55-18-15. Authority declared municipal corporation—Exemption from taxes—Alternative agreement with public body.**—An authority is declared to be a municipal corporation within the provisions of Article 13, section 2, of the Constitution and the property and funds of an authority are declared to be public property used for essential public, governmental and charitable purposes. The property and authority are exempt from all taxes (including sales and use taxes) and special assessments of any public body; provided, that this tax exemption does not apply to any portion of a project used for a profit-making enterprise, but in taxing such portions appropriate allowance shall be made for any expenditure by an authority for utilities or other public services it provides to serve the property. Instead of taxes on its exempt property an authority may agree to make payments to any public body it finds consistent with the maintenance of the low-rent character of housing projects and the achievement of the purposes of this act.

**History:** L. 1969, ch. 26, § 15.

**55-18-16. Projects subject to local building regulations.**—All projects of an authority shall be subject to the planning, zoning, sanitary and build-

ing laws, ordinances and regulations applicable to the locality in which the project is situated.

**History:** L. 1969, ch. 26, § 16.

**55-18-17. Authority may issue bonds—Payment—Security—Liability—Purpose—Restatement of tax exemption not necessary.**—An authority shall have power to issue bonds from time to time in its discretion, for any of its corporate purposes. It shall also have power to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. An authority may issue bonds on which the principal and interest are payable; (1) exclusively from the income and revenues of the project financed with the proceeds of such bonds; (2) exclusively from the income and revenues of certain designated projects whether or not they are financed in whole or in part with the proceeds of such bonds; or (3) from its revenues generally. Any such bonds may be additionally secured by a pledge of any loan, grant or contributions, or parts thereof, from the federal government or other source, or a pledge of any income or revenues of the authority.

Neither the members of an authority nor any person executing the bonds shall be liable personally on the bonds. The bonds and other obligations of an authority (and such bonds and obligations shall so state on their face) shall not be a debt of the city or county, or of the state or any political subdivision, and neither the county or city nor the state or any political subdivision shall be liable thereon, and in no event shall such bonds or obligations be payable out of any funds or properties other than those of the authority. The bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest and income are exempt from taxes. The provisions of this act exempting from taxation the properties of an authority and its bonds and interests and income therefrom shall be considered part of the contract for the security of bonds and have the force of contract, by virtue of this act and without the necessity of the same being restated in said bonds, between the bondholders and each and every one thereof, including all transferees of said bonds from time to time on the one hand, and an authority and the state on the other.

**History:** L. 1969, ch. 26, § 17.

**Collateral References.**

Counties 99172-175; Municipal Corporations 9906-913.

20 C.J.S. Counties § 258; 64 C.J.S. Municipal Corporation § 1902 et seq.

Power to borrow money or incur indebtedness, 56 Am. Jur. 2d 630, Municipal Corporations, Counties and Other Political Subdivisions § 580.

**55-18-18. Bonds to be authorized by resolution—Form—Sale—Negotiability—Validity presumed.**—Bonds of an authority shall be authorized by resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, not exceeding 8% per annum, be in such denominations, be in such form

either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without the premium) as such resolution, or its trust indenture may provide.

The bonds may be sold at public or private sale at not less than par.

If members or officers of an authority whose signatures appear on bonds or coupons cease to be members or officers before the delivery of the bonds, their signatures shall, nevertheless, be valid and sufficient for all purposes. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this act shall be fully negotiable.

In any suit, action or proceeding involving the validity or enforceability of any bond of an authority or the security therefor, any bond reciting in substance that it has been issued by the authority to aid in financing a project shall be conclusively deemed to have been issued for such purposes and such project shall be conclusively deemed to have been planned, located and carried out in accordance with the purposes and provisions of this act.

**History:** L. 1969, ch. 26, § 18; 1971, **Compiler's Notes.**  
ch. 16, § 2.

The 1971 amendment increased the interest rate limitation from 6% to 8%.

**55-18-19. Bonds and other obligations—Additional powers of authority.**

—In connection with the issuance of bonds or the incurring of obligations under leases and in order to secure the payment of bonds or obligations, an authority, in addition to its other powers, shall have power:

(1) To pledge all or any part of its gross or net rents, fees or revenues to which its right then exists or thereafter accrue.

(2) To mortgage all or any part of its real or personal property owned or thereafter acquired.

(3) To covenant against pledging all or any part of its rents, fees and revenues, or against mortgaging all or any part of its real or personal property to which its right or title then exists or thereafter accrues, or against permitting or suffering any lien on such revenues or property; to covenant with respect to limitations on its right to sell, lease or otherwise dispose of any housing project and to covenant as to what other, or additional debts or obligations may be incurred by it.

(4) To covenant as to bonds to be issued and as to the issuance of bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed or mutilated bonds; to covenant against extending the time for the payment of its bonds or interest thereon; and to covenant for the redemption of the bonds and to provide the terms and conditions thereof.

(5) To covenant (subject to the limitations contained in this act) as to the rents and fees to be charged in the operation of a housing project or projects, the amount to be raised each year or other period of time by



rents, fees and other revenues, and as to the use and disposition to be made thereof; to create or to authorize the creation of special funds for moneys held for construction or operating costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the moneys held in such funds.

(6) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the proportion of outstanding bonds which must consent to the action, and the manner in which consent shall be given.

(7) To covenant as to the use, maintenance and replacement of any or all of its real or personal property and the insurance to be carried thereon and the use and disposition of insurance moneys.

(8) To covenant as to the rights, liabilities, powers and duties arising upon breach by it of any covenant, condition, or obligation; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived.

(9) To vest in any obligee of the authority or any specified proportion of them the right to enforce the payment of bonds or any covenants securing or relating to the bonds; to vest in an obligee with the right after default by said authority to take possession of and use, operate and manage any project or any part thereof or any funds connected therewith, and to collect the rents and revenues arising therefrom and to dispose of them in accordance with the agreement with the authority; to provide the powers and duties of an obligee and to limit his liabilities; and to provide the terms and conditions upon which such obligees may enforce any covenant or rights securing or relating to the bonds.

(10) To exercise all or any part or combination of the powers granted and to make any covenants (other than and in addition to the covenants herein expressly authorized), or do any acts necessary, convenient or desirable to secure its bonds. The authority, in its discretion may make any covenants or do any acts calculated to make the bonds more marketable.

**History:** L. 1969, ch. 26, § 19.

**Cross-Reference.**

Utah Municipal Bond Act, 11-14-1 et seq.

**55-18-20. Issuance of bonds—Other laws not to apply.**—This act shall constitute full authority for the authorization and issuance of bonds. No other law with regard to the authorization or issuance of obligations or the deposit of the proceeds thereof, that requires a bond election or in any way impedes or restricts the carrying out of the acts authorized to be done shall be construed as applying to any proceedings taken or acts done pursuant to this act.

**History:** L. 1969, ch. 26, § 20.



**55-18-21. Rights of obligees of authority.**—An obligee of an authority shall have the right in addition to all other rights conferred on him subject to any contractual restrictions binding upon the obligee:

(1) To compel an authority, its officers, agents or employees to perform each and every term, provision and covenant contained in any contract of the authority for the benefit of the obligee and to require the carrying out of all covenants and agreements of the authority and the fulfillment of all duties imposed upon it by this act.

(2) To enjoin any acts or things which may be unlawful, or the violation of any of the rights of an obligee of the authority.

**History:** L. 1969, ch. 26, § 21.

**55-18-22. Obligees — Additional rights conferred by authority.** — An authority shall have power by resolution, trust indenture, mortgage, lease or other contract, to confer upon any obligee the right (in addition to all rights that may otherwise be conferred), upon default as defined in a resolution or instrument, by suit, action or proceeding in any court of competent jurisdiction:

(1) To cause possession of any project or part thereof to be surrendered to the obligee.

(2) To obtain the appointment of a receiver of any project or part thereof and of the rents and profits therefrom. The receiver may enter and take possession of the project or any part thereof and operate and maintain it, and collect and receive all fees, rents, revenues, or other charges arising therefrom. All moneys shall be kept in a separate account and be applied in accordance with the obligations of the authority as the court shall direct.

(3) To require the authority and its officers, agents and employees, to account as if it and they were the trustees of an express trust.

**History:** L. 1969, ch. 26, § 22.

**55-18-23. Property of authority exempt from levy and sale—Obligees excepted—Waiver.**—All property, including funds, acquired or held by an authority pursuant to this act shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall any judgment against the authority be a charge or lien upon such property; provided, that the provisions of this section shall not apply to or limit the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by the authority on its rents, fees or revenues or the right of the federal government to pursue any remedies conferred upon it pursuant to the provisions of this act. An authority may waive its exemption with respect to claims against any profit-making enterprise occupying any portion of a project provided that such waiver does not affect or impair the rights of any obligee of the authority.

**History:** L. 1969, ch. 26, § 23.

**55-18-24. Financial assistance from federal government permitted.—**

In addition to the powers conferred upon an authority by other provisions of this act, an authority is empowered to borrow money or accept contributions, grants, or other financial assistance from the federal government in aid of any project or related activities concerning health, welfare, economic, educational, environmental and similar problems of persons of low income, to take over or lease or manage any project or undertaking constructed or owned by the federal government, and to these ends, to comply with conditions and enter into contracts, covenants, mortgages, trust indentures, leases or agreements deemed necessary, convenient or desirable. It is the purpose and intent of this act to authorize any authority to do all things necessary or desirable to secure the financial aid or co-operation of the federal government in the provision of decent, safe and sanitary dwellings and maintaining a wholesome living environment for persons of low income. To accomplish this purpose an authority may include in any contract for financial assistance with the federal government any provisions which the federal government may require as conditions to its financial aid not inconsistent with the purposes of this act.

**History:** L. 1969, ch. 26, § 24.

**Cross-Reference.**

Federal Assistance Management Program, 63-40-1 et seq.

**55-18-25. Defaults—Conveyance of title to federal government.—**

The authority in any contract with the federal government for annual contributions may obligate itself (which obligation shall be specifically enforceable and shall not constitute a mortgage, notwithstanding any other laws) to convey to the federal government possession of or title to the project upon the occurrence of a substantial default (as defined in such contract) with respect to the covenants and conditions to which the authority is subject and that in case of conveyance, the federal government may complete, operate, manage, lease, convey or otherwise deal with the project and funds in accordance with the terms of the contract; provided, the contract by its terms requires the federal government as soon as practicable after it is satisfied that all defaults have been cured and that the project will be operated in accordance with contract reconvey the project to the authority.

**History:** L. 1969, ch. 26, § 25.

**55-18-26. Powers of public body aiding in project.—**For the purpose of aiding and co-operating in the planning, undertaking, construction or operation of projects located within its jurisdiction, any public body may, with or without consideration, as it may determine:

(1) Dedicate, sell, convey or lease any of its interest in property, or grant easements, licenses, or other rights or privileges therein to a housing authority or the federal government;

(2) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or other works which it is otherwise

empowered to undertake be furnished adjacent to or in connection with such projects;

(3) Furnish, dedicate, close, pave, install, grade, regrade, plan or replan streets, roads, roadways, alleys, sidewalks or other places which it is otherwise empowered to undertake;

(4) Plan or replan, zone or rezone any parts of such public body, make exceptions from building regulations and ordinances and changes in its map;

(5) Cause the same services to be furnished to a housing authority as the public body is empowered to furnish, and provide facilities and services (including feeding facilities and services for tenants), in connection with housing projects;

(6) Enter into agreements with respect to the exercise by the public body of its powers relating to the repair, improvement, condemnation, closing or demolition of unsafe, insanitary or unfit buildings;

(7) Employ (notwithstanding the provisions of any other law) any funds belonging to or within the control of the public body, including funds derived from the sale or furnishing of property or facilities to a housing authority, in the purchase of the bonds or other obligations of a housing authority and exercise the rights connected therewith;

(8) Do any and all things necessary or convenient to aid and co-operate in the planning, undertaking, construction or operation of any projects;

(9) Incur the entire expense of public improvements made by a public body in exercising the powers granted in this act; and

(10) Enter into agreements (which may extend over any period notwithstanding any provision or rule of law to the contrary), with a housing authority respecting action to be taken by a public body pursuant to any of the powers granted by this act. If at any time title to or possession of any project is held by any public governmental agency authorized by law to engage in the development or administration of low-rent housing or slum clearance projects, including any agency or instrumentality of the United States, the provisions of such agreements shall inure to the benefit of and may be enforced by such public body or governmental agency. Any sale, conveyance, lease or agreement provided for in this section may be made by a public body without appraisal, public notice, advertisement, or public bidding, notwithstanding any other laws to the contrary.

**History:** L. 1969, ch. 26, § 26.

**55-18-27. Agreement by public body to accept payment from authority in lieu of taxes.**—In connection with any project of a housing authority located wholly or partly within the area in which any public body is authorized to act, any public body may agree with the housing authority with respect to the payment by the authority of such sums in lieu of taxes for any year or period of years as are determined by the authority to be con-

sistent with the maintenance of the low-rent character of housing projects or the achievement of the purposes of this act.

**History:** L. 1969, ch. 26, § 27.

**55-18-28. Public body may provide financial aid.**—In addition to other aids provided, any public body is empowered to provide financial aid to a housing authority by loan, donation, grant, contribution and appropriation of money, by abatement or remission of taxes, or payments in lieu of taxes, or other charges; or by any other means.

**History:** L. 1969, ch. 26, § 28.

**55-18-29. Investment in authority authorized.**—The state and all public officers, municipal corporations, political subdivisions, and public bodies, all banks, bankers, trust companies, savings banks and institutions, building and loan associations and savings and loan associations, investment companies, insurance companies, insurance associations and other persons carrying on a banking or insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest money or funds belonging to them or within their control in any bonds or other obligations issued by a housing authority created by this act or issued by any public housing authority or agency in the United States, any of its territories, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, when the bonds or other obligations are secured by a pledge of annual contributions or other financial assistance to be paid by the United States government or agency thereof, or when bonds or other obligations are secured by an agreement between the United States government or agency thereof and the public housing authority or agency in which the United States government or agency thereof agrees to lend to the public housing authority or agency, prior to the maturity of the bonds or other obligations, moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on the bonds or other obligations) will suffice to pay the principal of the bonds or other obligations with interest to maturity, which moneys under the terms of the agreement are required to be used for this purpose, and such bonds and other obligations shall be authorized security for all public deposits and shall be fully negotiable in this state; it being the purpose of this section to authorize any of the foregoing to use any funds owned or controlled by them, including (but not limited to) sinking, insurance, investment, retirement, compensation, pension and trust funds, and funds held on deposit, for the purchase of any such bonds or other obligations: provided, that nothing contained in this section shall be construed as relieving any person, firm or corporation from any duty of exercising reasonable care in selecting securities. The provisions of this section shall apply notwithstanding any restrictions on investments contained in other laws.

**History:** L. 1969, ch. 26, § 29.

**55-18-30. Annual report.**—At least once a year, an authority shall file with the clerk a report of its activities for the preceding year and make

recommendations with reference to additional legislation or other action deemed necessary to carry out the purposes of this act.

**History:** L. 1969, ch. 26, § 30.

**Separability Clause.**

Section 31 of Laws 1969, ch. 26 provided: "If any provision of this act, or

the application of any provision to any person or circumstance, is held invalid, the remainder of the act shall not be affected thereby."

**55-18-31. Provisions of act controlling—Acts of governmental bodies deemed administrative.**—The provisions of this act shall be controlling, notwithstanding anything to the contrary in any other law of this state, city charter or local ordinance. Any action of a city or county or governing body in carrying out the purposes of this act, whether by resolution, ordinance or otherwise, shall be deemed administrative in character, and no public notice or publication need be made with respect to such action.

**History:** L. 1969, ch. 26, § 32.